

Message Text

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21

ORIGIN EA-14

INFO OCT-01 ISO-00 AID-20 CIAE-00 COME-00 EB-11 FRB-02

INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12 SPC-03

CIEP-02 LAB-06 SIL-01 OMB-01 SS-20 NSCE-00 NSC-10

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DRAFTED BY EA/PRCM:CWFREEMAN,JR.:EBS

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COMM/BEWT/PRC - WWCLARKE (INFO)

EB/ITP/EWT - RBWRIGHT (INFO)

----- 010417

R 150019Z DEC 73

FM SECSTATE WASHDC

TO USLO PEKING

INFO AMCONSUL HONG KONG

AMEMBASSY TOKYO

AMEMBASSY TAIPEI

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E.O. 11652: N/A

TAGS: ETRD, BEXP, CH

SUBJECT: CALL ON PRCLO BY VISITING USLO ECON/
COMMERCIAL OFFICER

1. VISITING USLO ECON/COMMERCIAL OFFICER ROPE, ACCOMPANIED BY EA/PRCM OFFICER (FREEMAN), CALLED ON PRCLO COUNTERPART HUANG WEN-CHUN DECEMBER 14. DISCUSSION PROVIDED USEFUL OPPORTUNITY FOR EXCHANGE OF VIEWS ON HOW TO HANDLE U.S. COMPANIES INTERESTED IN DOING BUSINESS WITH PRC AS WELL AS NEW FIGURES ON CANTON TRADE FAIR BUSINESS.

2. CANTON TRADE FAIR. HUANG SAID U.S. PURCHASES AT FALL FAIR WERE "OVER 30 MILLION DOLLARS", WHICH HE SAID WERE
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ABOUT DOUBLE US PURCHASES OF \$15 MILLION AT THE 1973 SPRING

FAIR. HUANG CONFIRMED OUR IMPRESSION THAT US FALL FAIR
SALES WERE ABOUT 15 MILLION DOLLARS.

3. TRANSLATION OF BUSINESS CORRESPONDENCE. HUANG SAID
PRCLO SOMETIMES RECOMMENDS TRANSLATION OF LETTERS AND
BROCHURES INTO CHINESE AS A USEFUL BUT NOT ESSENTIAL
PRACTICE FOR COMPANIES WISHING TO SELL TO PRC. WHEN
PRCLO KNOWS A PRODUCT IS OF NO INTEREST TO THE PRC IT DOES
NOT RECOMMEND TRANSLATION. IF A COMPANY IS SMALL, HUANG
SAID, HE IS HESITANT TO RECOMMEND TRANSLATION IN VIEW OF
TROUBLE AND EXPENSE INVOLVED. LARGE COMPANIES ROUTINELY

PUT ANNUAL REPORTS, BROCHURES AND PRODUCT AND INFORMATION
INTO MULTIPLE LANGUAGES, SUCH AS RUSSIAN, POLICH, FRENCH,
SPANISH. IN SUCH CASES, HUANG SAID, IN VIEW OF UTILITY OF
TRANSLATIONS, HE GIVES MILD ENCOURAGEMENT TO TRANSLATE THE
MATERIAL INTO CHINESE. WHEN ROPE CITED CONVERSATION
WITH TECHIMPORT DEPUTY GENERAL MANAGER YANG YU-TE IN WHICH
YANG DENIED NEED FOR TRANSLATION, HUANG REPLIED THAT
EVEN FOR TECHIMPORT TRANSLATION COULD HAVE SOME VIRTUE.
IF MATERIAL WERE TRANSLATED, CHANCES WERE GOOD THAT YANG
AND OTHER SENIOR FTC OFFICIALS WOULD LEAF THROUGH IT THEM-
SELVES, OTHER WISE THEY WOULD SIMPLY HAND IT OVER TO
SUBORDINATES. ON BALANCE, HUANG SAID, TRANSLATIONS
COULD BE USEFUL IN SPEEDING UP PROCESSING OF INITIAL
APPROACHES, PARTICULARLY TO FTC'S WHICH, LIKE MACHIMPEX,
HAVE LARGE NUMBERS OF END-USERS. ONCE DIRECT DISCUSSIONS
BEGAN, HE SAID, TRANSLATION WOULD NO LONGER BE NECESSARY
AS PROPOSAL WOULD ALREADY BE RECEIVING ATTENTION OF
QUALIFIED PERSONNEL. RE QUALITY OF TRANSLATION, HUANG
INDICATED IMPORTANT THING WAS ACCURACY. OUTMODED LANG-
UAGE, ETC. WAS, OF COURSE, NOT DESIRABLE, BUT WOULD NOT
DEFEAT PURPOSE OF TRANSLATION, WHICH WAS TO FACILITATE
RAPID SCANNING OF PROPOSALS. IN ALL CASES, TRANSLATION
SHOULD BE CONSIDERED SECONDARY TO ENGLISH TEXT. NO
CORRESPONDENCE SHOULD BE CONDUCTED SOLELY IN CHINESE
UNLESS COMPANY PREPARED TO CONDUCT ALL EXCHANGES IN
CHINESE. HUANG STATED CLEARLY THAT PURCHASERS OF CHINESE
GOODS IN GENERAL, (AND EXPECIALLY SMALLER IMPORTERS),
SHOULD NOT BOTHER WITH TRANSLATION INTO CHINESE.
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4. RELATIONSHIPS TWEEN PEKING HEADQUARTERS OFFICES
AND REGIONAL BRANCH OFFICES OF FTC'S. HUANG SAID INITIAL
APPROACHES BY US CORPORATIONS SHOULD CONTINUE TO BE
THROUGH PEKING OFFICES OF FTC'S; THEREAFTER, HE CON-
FIRMED, LOCAL BRANCHES MIGHT GET INVOLVED IN DIRECT
DISCUSSIONS AND CORRESPONDENCE WITH ESTABLISHED CUSTOM-
ERS, PARTICULARLY IN THE CASE OF IMPORT TRANSACTIONS

IN CASES WHERE PRODUCTS LIKELY TO BE OF INTEREST TO LARGE NUMBER OF END-USERS THROUGHOUT CHINA, IT WOULD BE ACCEPTABLE AND POTENTIALLY QUITE USEFUL TO SEND BRANCH OFFICES IN OTHER CITIES COPIES OF CORRESPONDENCE AND OTHER MATERIALS (PARTICULARLY WHEN ACCOMPANIED BY TRANSLATIONS) ADDRESSED TO HEADQUARTERS OFFICES IN PEKING. THIS WOULD FACILITATE CIRCULATION TO ALL INTERESTED END-USERS. HUANG ALSO NOTED THAT QUESTION OF GATER ROLE FOR LOCAL OFFICES NOW UNDER CONSIDERATION.

5. PROBLEM OF UNANSWERED CORRESPONDENCE. HUANG SAID PRCLO HAD URGED FTC'S TO RESPOND TO ALL CORRESPONDENCE AND THAT MFT HAD ISSUED INSTRUCTION TO THIS EFFECT.

PROBLEM CAME WHEN BUSINESS PROPOSALS WERE OF MARGINAL INTEREST, WHEN THEY REQUIRED EXTENSIVE STUDY, OR WHEN NEGOTIATIONS ON SAME OR SIMILAR PROPOSAL UNDERWAY WITH THIRD COUNTRY OF OTHER FIRMS. TENDENCY IN ALL CASES WAS TO PUT PROPOSAL IN HOLD BASKET OR TO SIT ON IT. IF GROUP DEALING WITH PARTICULAR PRODUCT OR TECHNOLOGY OTHERWISE ENGAGED, THIS COULD ALSO DELAY RESPONSE. FREEMAN AND ROPE SUGGESTED POSSIBILITY OF FORM INTERIM RESPONSE. HUANG INDICATED RECEPTIVITY BUT MADE NO COMMITMENT. HE SAID THAT, IN ANY EVENT, WHERE PRODUCT BELIEVED TO BE OF INTEREST TO PRC, COMPANIES SHOULD WRITE AGAIN IF NO RESPONSE IS RECEIVED. CITING ONE CASE OF COMPANY WHICH HAS JUST MADE VERY SUBSTANTIAL SALE TO PRC (BUCYRUS ERIE), HE SAID THAT IT TOOK OVER A YEAR OF CORRESPONDENCE AND PROMOTIONAL ACTIVITY BEFORE FTC RESPONDED. US COMPANIES SHOULD BE COUNSELED TO BE PATIENT AND PERSISTENT. DEALS CANNOT BE MADE IN A DAY, HE CONCLUDED, THEY REQUIRE CAREFUL STUDY BY INTERESTED ORGANIZATIONS BEFORE THEY CAN EVEN GET TO POINT OF DIRECT LIMITED OFFICIAL USE

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DISCUSSION. RUSH

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